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Flying start for Falcon

There might have been a few hiccups with the drill rig but it has otherwise been smooth sailing for Falcon Metals Ltd since officially being demerged from market darling Chalice Mining Ltd.

Falcon began drilling at the Karri prospect, part of its flagship Pyramid Hill gold project in Victoria, just three weeks after debuting on the ASX following a high-profile \$30 million IPO in late December.

Assays for the first four of seven diamond holes drilled into Karri have returned encouraging results, including 2m @ 3.32 g/t gold from 108m (including 1m @ 6.51 g/t from 109m) and 8m @ 1.08 g/t gold from 287m (including 1m @ 7.31 g/t from 294m).

Falcon had hoped to start an aircore programme at the nearby Ironbark prospect around the same time to follow up on a previous hit of 13m @ 1.52 g/t which ended in mineralisation, but the contracted drilling company was initially delayed due to a COVID-19 outbreak in Victoria and then subsequently experienced equipment issues which prevented the crew from mobilising to site.

Speaking to *Paydirt* last month as the replacement drilling company was due to wrap up the aforementioned aircore campaign ahead of the cropping season, Falcon managing director Tim Markwell said the new company could not have asked for a better start to life outside the Chalice spotlight.

"We obviously inherited a quite good position from the demerger, being that massive ground holding north of Bendigo and Fosterville, which when Chalice picked it up was really in the early days of Fosterville before it turned into a money-making treasure trove of a mine," Markwell said.

"Chalice did a significant amount of drilling that has given us quite a good head start. We were able to really just leverage off that position with the drill contracts and the systems they had in place, the farm access agreements and everything which meant we were able to start drilling within a few weeks of listing."

Markwell sits alongside Chalice managing director Alex Dorsch and former Sirius Resources boss Mark Bennett on the Falcon board. Bendigo-born Doug Winzar is the company's exploration manager.



Falcon started drilling at Pyramid Hill just three weeks after being demerged from Chalice

Pyramid Hill was the flagship asset for Chalice prior to the headline-grabbing Julimar discovery in March 2020. With all efforts now going into developing Australia's largest reported PGE resource, the company, which now boasts a market cap nudging \$2 billion, made the strategic decision to spin out the Victorian project into a newly listed vehicle.

Falcon was one of 106 resources IPOs to hit the bourse last year, but arguably the most prolific given the Chalice connection. If there was in fact any pressure from the market, Markwell failed to notice.

"We've inherited a lot of long, patient shareholders from Chalice," he said.

"Chalice made a few sort of discoveries, divested a few things, kept the capital really tight and then eventually made that game-changing discovery at Julimar. They always had a long-term, strategic process of looking at lots of things and eventually through persistence and good work they discovered Julimar.

"There's a degree of patience with these shareholders, they really just want us to do it properly. They don't expect us to drill five holes and discover another Fosterville, they're well aware that this may take a little bit of time and that's why we raised \$30 mil-

lion. If we raised \$5-6 million, people might be a little bit more anxious, but we're going to do the right thing and work strategically and systematically to try and find an ore-body."

Since listing, Falcon has picked up some additional ground, including an 872sq km exploration licence within the Bendigo Zone which has seen very limited modern-day exploration for gold. The company plans to initiate community engagement and planning later this year ahead of a likely aircore programme over outcropping targets in 2023.

Markwell said the company was fortunate to have also inherited the good working relationships which Chalice had built with the local farmers and landowners.

"Karri and Ironbark are located on broad-acre farms so they're quite large properties and they're actively cropped," he said.

"A big part of doing work in Victoria is making sure that you are at one with the landowners. You've got to treat that land as your own, you can't dig it up when it rains and get in the way of cropping. You've got to be in partnership with them so you don't get in their way.

"It's been really good to have that continuity [of land access] instead of starting from scratch where you've got to set all these relations from the beginning. We didn't have to really do that because we knew it was all in place."

Markwell added that while Victoria has not always been a first-choice destination for resources companies and investors, Falcon was entering the fold at a time when the appetite and confidence for new discoveries in the State was incredibly high.

"So much gold has been mined here over the last 100 or so years, it's quite remarkable," he said. "There's no reason why we can't find more of these. People still refer back to the misfires but we're looking forward, we're trying to find something new, we're not trying to revitalise an old project."

— Michael Washbourne



Tim Markwell